

RESOLUTION NO. 6

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY APPROVING THE DUE DILIGENCE REVIEW REPORT FOR NON HOUSING FUNDS CONDUCTED PURSUANT TO HEALTH AND SAFETY CODE SECTIONS 34179.5 AND 34179.6 AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

RECITALS:

A. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231(2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the former San Fernando Redevelopment Agency transferred to the control of the Successor Agency to the San Fernando Redevelopment Agency (the "Successor Agency") by operation of law.

B. Health and Safety Code Section 34179.5 requires the Successor Agency to employ a licensed accountant, approved by the county auditor-controller, to conduct a due diligence review to determine the unobligated balances available for transfer to taxing entities.

C. Health and Safety Code Section 34179.6 requires the Successor Agency to submit the results of the review conducted pursuant to Section 34179.5 for the Non Housing Funds of the former City of San Fernando Redevelopment Agency and specifically the amount of cash and cash equivalents determined to be available for allocation to taxing entities (the "Non Housing Funds Due Diligence Review Report") to the Successor Agency's Oversight Board (the "Oversight Board") for the Oversight Board's review and approval.

D. Pursuant to Health and Safety Code Sections 34179.6 and 34180(j), the Successor Agency submitted to the Oversight Board, the county administrative officer, the county auditor-controller, the State Controller and the Department of Finance ("DOF") the Non Housing Funds Due Diligence Review Report.

E. Pursuant to Health and Safety Code Section 34179.6(b), upon receipt of the Non Housing Funds Due Diligence Review Report, and at least five business days before the Oversight Board considers the approval of the Non Housing Funds Due Diligence Review Report, the Oversight Board must hold a public comment session (the "Public Comment Session") at which time the public has an opportunity to hear and be heard on the results of the Non Housing Funds Due Diligence Review Report and at which time the Oversight Board considers the opinions, if any, offered by the county auditor-controller on the results of the Non Housing Funds Due Diligence Review Report.

F. On December 13, 2012, the Oversight Board held the Public Comment Session pursuant to Health and Safety Code Section 34179.6 (b).

G. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board must review, approve and transmit to DOF and the county auditor-controller, the determination of the amount of cash and cash equivalents in the Non Housing Funds of the former City of San Fernando Redevelopment Agency available for disbursement to taxing entities as determined according to the method provided in Section 34179.5. Section 34179.6 (c) provides that the Oversight Board may adjust any amount provided in the Non Housing Funds Due Diligence Review Report to reflect additional information and analysis.

H. Section 34179.6(c) empowers the Oversight Board to authorize the Successor Agency to retain assets or funds identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5. If the Oversight Board makes this authorization, the Oversight Board must identify to DOF the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. The determination and authorization to retain funds and assets shall be subject to the review and approval of DOF pursuant to Health and Safety Code Section 34179.6(d).

I. Pursuant to Health and Safety Code Section 34179.6(c), the Oversight Board desires to approve the Non Housing Funds Due Diligence Review Report and to authorize the Successor Agency to retain the assets and funds, if any, identified pursuant to subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Non Housing Funds Due Diligence Review Report.

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE SAN FERNANDO REDEVELOPMENT AGENCY DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. This Resolution is adopted pursuant to Health and Safety Code Section 34179.6(c).

Section 3. The Oversight Board hereby approves the Non Housing Funds Due Diligence Review Report subject to the following adjustments: Clarifying language noting that assets in the amount of \$2,727,900 need to be retained to satisfy obligations on the approved ROPS for the period of July 1, 2012 through June 30, 2013. However, there are insufficient funds available to be retained. The remaining cash balances are available to be retained equal to \$1,317,813 (Section 1 Response No. 9).

Section 4. For the purposes of providing for the transfer of non housing functions and assets of the former City redevelopment agency pursuant to Health and Safety Code Sections 34176 and 34181(c), the Oversight Board hereby authorizes the Successor Agency to retain the non housing funds assets and funds, if any, identified in subparagraphs (B) to (E), inclusive, of paragraph (5) of subdivision(c) of Section 34179.5, as documented in the Due Diligence Review, which provides the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained.

Section 5. The staff of the Successor Agency is hereby directed to transmit to DOF and the County Auditor-Controller written notice and information regarding the actions taken by

this Resolution and specifically the determination of the amount of cash and cash equivalents in the Non Housing Funds of the former City of San Fernando Redevelopment Agency that are available for disbursement to taxing entities as determined according to the method provided in Health and Safety Code Section 34179.5. Such notice to DOF shall be provided by electronic means and in a manner of DOF's choosing.

Section 6. The staff and the Board of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified.

PASSED, APPROVED, AND ADOPTED this 10th day of January, 2013.

Federico Ramirez, Vice-Chairperson

ATTEST:

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the
San Fernando Oversight Board

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF SAN FERNANDO)

I HEREBY CERTIFY that the foregoing Resolution was approved and adopted at a regular meeting of the Oversight Board of the Successor Agency to the San Fernando Redevelopment Agency held on the 10th day of January, 2013, by the following vote to wit:

AYES:

NOES:

ABSENT:

Ivonne Evelyn Umana, Deputy Clerk
County of Los Angeles, Board of Supervisors
Acting as Secretary to the
San Fernando Oversight Board